

DEPARTMENT OF EMPLOYEE TRUST FUNDS

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY03 Adjusted Base	FY04 Recommended	% Change Over FY03	FY05 Recommended	% Change Over FY04
GPR	3,419,800	3,176,600	-7.1	2,715,400	-14.5
SEG-O	16,862,900	18,956,100	12.4	18,528,700	-2.3
TOTAL	20,282,700	22,132,700	9.1	21,244,100	-4.0

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY03 Adjusted Base	FY04 Recommended	FTE Change From FY03	FY05 Recommended	FTE Change From FY04
GPR	3.50	3.50	0.00	3.50	0.00
SEG-O	209.85	193.85	-16.00	193.85	0.00
TOTAL	213.35	197.35	-16.00	197.35	0.00

AGENCY DESCRIPTION

The department is headed by a secretary appointed by a 13-member Employee Trust Funds Board and is responsible for: state-administered retirement program; group insurance programs (health, life, income continuation, long-term disability and long-term care); employee reimbursement account program; commuter benefits program; deferred compensation trust funds for state and local government employees; state accumulated sick leave conversion credits program; and private health insurance for small businesses. The Group Insurance Board, Teachers Retirement Board, Wisconsin Retirement Board, Deferred Compensation Board and the Private Employer Health Care Coverage Board are attached to the department.

The assets invested by the State of Wisconsin Investment Board are not assets of the state, but are held in trust pending their disbursement to secure coverage for, or to pay benefits to, members or their beneficiaries.

MISSION

The mission of the department is to develop and deliver quality benefits and services to our customers while safeguarding the integrity of the trust.

PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

Program 1: Employee Benefit Plans

Goal: Clearly communicate benefit details and options in a manner appropriate to our customers and stakeholders.

Objective/Activity: Increase accessibility through telephony technology and face-to-face counseling with members.

Goal: Focus on the needs of our customers and provide them with accurate understandable and timely information.

Objective/Activity: Reduce the time to provide essential services to our members.

Goal: Maintain sufficient resources to provide quality services and benefits and to meet essential customer needs in a timely manner.

Objective/Activity: Maintain costs of administration of benefit plans at or below the median of peer public retirement systems.

PERFORMANCE MEASURES

HISTORICAL DATA

Prog. No.	Performance Measure	Actual 2000
1.	Number of calls and percentage answered.	95,573 41%
1.	Number of calls and percentage with busy signal.	137,819 59%
1.	Average time caller waits in queue.	2 minutes
1.	Number of eligible participants counseled.	5,470
1.	Percentage of participants eligible to retire that receive counseling.	9.1%
1.	Days to provide annuity retirement estimate from date of receipt to payment.	84
1.	Days to provide service purchase estimate from date of receipt to payment.	70-84
1.	Total administrative cost per active member and annuitant compared to the median of peer retirement systems. ¹	\$26/\$52

Note: Based on calendar year.

¹Wisconsin Retirement System only, excludes special projects and supplemental benefit plans.

2001 AND 2002 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2001	Actual 2001	Goal 2002	Actual 2002
1.	Number of calls offered to the Call Center staff and percentage answered. ¹	144,907 60%	108,822 90%	211,639 90%	124,011 81%
1.	Average time caller waits in queue.	1 minute	1.7 minutes	0.75 minutes	6.9 minutes
1.	Number of eligible participants counseled.	5,838	6,128	9,401	7,224
1.	Percentage of active participants that receive counseling. ²	9.5%	2.3%	11.5%	3.4%
1.	Days to provide annuity retirement estimate from date of receipt to payment to 25% of participants eligible to retire.	86	86	21-42	21-42
1.	Total administrative cost per active member and annuitant compared to the median of peer retirement systems. ³	\$26/\$52	\$26/\$52	\$29/\$54	\$29/\$54

Note: Based on fiscal year.

¹Revised performance measure which more accurately reflects how the Call Center works. Calls are either answered by staff or abandoned by the caller before the Call Center staff had an opportunity to answer.

²In fiscal year 2000-01, the department revised this performance measure to reflect the fact that the department counsels all participants who make an appointment, including retirees and beneficiaries, etc., not just those participants eligible to retire. This measurement is consistent with the measurements used by peer retirement systems. As a result, the goal and actual results differ greatly.

³Wisconsin Retirement System only, excludes special projects and supplemental benefit plans.

2003, 2004 AND 2005 GOALS

Prog. No.	Performance Measure	Goal 2003	Goal 2004	Goal 2005
1.	Number of calls offered to the Call Center staff and percentage answered.	129,620 5%	133,782 85%	138,111 85%
1.	Average time caller waits in queue.	1 minute	1 minute	1 minute
1.	Number of eligible participants counseled.	8,325	9,427	9,620
1.	Percentage of active participants that receive counseling.	3.4%	3.4%	3.4%
1.	Days to provide annuity retirement estimate from date of receipt to payment to 25% of participants eligible to retire.	14-21	10	10
1.	Total administrative cost per active member and annuitant compared to the median of peer retirement systems. ¹	\$29/\$54	\$39/\$63	\$39/\$63

Note: Based on fiscal year.

¹Wisconsin Retirement System only, excludes special projects and supplemental benefit plans.

DEPARTMENT OF EMPLOYEE TRUST FUNDS

GOVERNOR'S BUDGET RECOMMENDATIONS

RECOMMENDATIONS

1. Private Employer Health Care Coverage Program
2. Strategic Health Policy Management
3. Attorney Consolidation Initiative
4. Completion of Benefit Payments System Project
5. Critical Customer Service
6. Customer Service Call Center
7. Sum Sufficient Reestimate
8. Standard Budget Adjustments

ITEMS NOT APPROVED

9. Employer Compliance Reviews
10. Nonconstruction Costs For State Office Building Addition
11. Postage and Forms Budget

Table 1
Department Budget Summary by Funding Source (in thousands of dollars)

	ACTUAL FY02	ADJUSTED	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		BASE FY03	FY04	FY05	FY04	FY05
GENERAL PURPOSE REVENUE	\$4,321.2	\$3,419.8	\$2,965.7	\$2,504.5	\$3,176.6	\$2,715.4
State Operations	172.0	27.9	0.2	0.2	211.1	211.1
Aids to Ind. & Org.	4,149.2	3,391.9	2,965.5	2,504.3	2,965.5	2,504.3
SEGREGATED REVENUE (3)	22,939.0	16,862.9	20,823.3	20,717.2	18,956.1	18,528.7
State Operations	22,939.0	16,862.9	20,823.3	20,717.2	18,956.1	18,528.7
TOTALS-ANNUAL	27,260.2	20,282.7	23,789.0	23,221.7	22,132.7	21,244.1
State Operations	23,111.0	16,890.8	20,823.5	20,717.4	19,167.2	18,739.8
Aids to Ind. & Org.	4,149.2	3,391.9	2,965.5	2,504.3	2,965.5	2,504.3

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

Table 2
Department Position Summary by Funding Source (in FTE positions) (4)

	ADJUSTED	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
	BASE FY03	FY04	FY05	FY04	FY05
GENERAL PURPOSE REVENUE	3.50	3.50	3.50	3.50	3.50
SEGREGATED REVENUE (3)	209.85	210.65	211.65	193.85	193.85
TOTALS-ANNUAL	213.35	214.15	215.15	197.35	197.35

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

(4) All positions are State Operations unless otherwise specified

Table 3
Department Budget Summary by Program (in thousands of dollars)

	ACTUAL FY02	ADJUSTED	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		BASE FY03	FY04	FY05	FY04	FY05
1. Employee benefit plans	\$27,115.9	\$20,282.5	\$23,788.8	\$23,221.5	\$21,921.6	\$21,033.0
2. Private employer health care coverage program	144.3	0.2	0.2	0.2	211.1	211.1
TOTALS	27,260.2	20,282.7	23,789.0	23,221.7	22,132.7	21,244.1

Table 4
Department Position Summary by Program (in FTE positions) (4)

	ADJUSTED	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
	BASE FY03	FY04	FY05	FY04	FY05
1. Employee benefit plans	209.85	210.65	211.65	193.85	193.85
2. Private employer health care coverage program	3.50	3.50	3.50	3.50	3.50
TOTALS	213.35	214.15	215.15	197.35	197.35

(4) All positions are State Operations unless otherwise specified

1. Private Employer Health Care Coverage Program

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	210,900	0.00	210,900	0.00
TOTAL	0	0.00	0	0.00	210,900	0.00	210,900	0.00

The Governor recommends funding to continue program design and implementation.

2. Strategic Health Policy Management

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	107,300	2.00	119,200	2.00	53,700	1.00	59,600	1.00
TOTAL	107,300	2.00	119,200	2.00	53,700	1.00	59,600	1.00

The Governor recommends funding and position authority to increase the department's resources to pursue cost containment measures in the state and local government group insurance plans. This includes development of a drug purchasing pool and various health care quality initiatives.

3. Attorney Consolidation Initiative

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	0	0.00	0	0.00	0	-1.00	0	-1.00
TOTAL	0	0.00	0	0.00	0	-1.00	0	-1.00

The Governor recommends improving the provision of state legal services by consolidating attorneys under the secretary of the Department of Administration. The Department of Administration secretary will determine the assignment of attorneys to individual agencies. The initiative results in the reduction of expenditure and position authority within the department and the transfer of 1.0 FTE position to the Department of Administration. Funding related to the transferred position will remain in the department's budget to purchase legal services from the Department of Administration. See Department of Administration, Item #10.

4. Completion of Benefit Payments System Project

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	1,562,700	4.50	1,573,600	4.50	1,275,300	2.50	752,500	2.50
TOTAL	1,562,700	4.50	1,573,600	4.50	1,275,300	2.50	752,500	2.50

The Governor recommends providing funding and positions to complete the benefit payment system which will provide seamless processing of benefit payments and on-line availability of key data.

5. Critical Customer Service

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	802,700	13.50	755,000	14.50	137,400	4.00	183,300	4.00
TOTAL	802,700	13.50	755,000	14.50	137,400	4.00	183,300	4.00

The Governor recommends funding and conversion of 4.0 FTE project positions to permanent status to enhance services provided by the Member Services Bureau.

6. Customer Service Call Center

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	356,700	5.80	381,000	5.80	186,200	2.50	229,800	2.50
TOTAL	356,700	5.80	381,000	5.80	186,200	2.50	229,800	2.50

The Governor recommends funding and the conversion of 2.5 FTE project positions to permanent status to improve the services provided by the department's Call Center.

7. Sum Sufficient Reestimate

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-426,400	0.00	-887,600	0.00	-426,400	0.00	-887,600	0.00
TOTAL	-426,400	0.00	-887,600	0.00	-426,400	0.00	-887,600	0.00

The Governor recommends reestimating the sum sufficient appropriation for annuity supplements and payments to reflect a reduction in eligible recipients.

8. Standard Budget Adjustments

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-27,700	0.00	-27,700	0.00	-27,700	0.00	-27,700	0.00
SEG-O	358,500	-26.00	358,500	-26.00	440,600	-25.00	440,600	-25.00
TOTAL	330,800	-26.00	330,800	-26.00	412,900	-25.00	412,900	-25.00

The Governor recommends adjusting the department's base budget for: (a) turnover reduction (-\$229,600 in each year); (b) removal of noncontinuing elements from the base (-\$263,000 and -26.0 FTE positions in each year); (c) full funding of continuing position salaries and fringe benefits (\$700,500 in each year); (d) funding of ongoing s. 13.10 supplements (\$54,600 and 1.0 FTE project position in each year); (e) overtime (\$47,900 in each year); (f) night and weekend differential pay (\$75,800 in each year); and (g) fifth week of vacation as cash (\$26,700 in each year).

ITEMS NOT APPROVED

The following requests are not included in the Governor's budget recommendations for the Department of Employee Trust Funds.

Decision Item	Source of Funds	FY04		FY05	
		Dollars	Positions	Dollars	Positions
9. Employer Compliance Reviews	SEG-O	53,700	1.00	98,200	1.00
10. Nonconstruction Costs For State Office Building Addition	SEG-O	615,800	0.00	457,400	0.00
11. Postage and Forms Budget	SEG-O	103,000	0.00	111,400	0.00
TOTAL OF ITEMS NOT APPROVED	SEG-O	772,500	1.00	667,000	1.00